

Motor Dealer Council of British Columbia

Executive Summary - Industry Summit November 21, 2006 River Rock Casino Resort Richmond, BC

This historic meeting brought together the Boards of Directors and executive officers of MDC with the three principal industry associations: the Automotive Retailers Association, the New Car Dealers Association, and the Recreation Vehicle Dealers Association.

Misunderstandings and controversy surrounding MDC's fee structure, mission and operations had become increasingly prevalent despite constant dialogue and communications with both dealers and their associations.

There were four key objectives: a report on past and current activities; a review and discussion of MDC's mandate; an outline of MDC's future plans and an attempt to improve relationships.

While multiple viewpoints and different approaches were aired on some issues, there was no doubt about the consensus achieved on crucial matters, and the commitment to the MDC vision:

- a clear understanding that MDC is not industry "self-governance," but rather an independent partnership with strong "public-at-large" representatives, under the ultimate authority of government and the Legislature.
- while concerns remain about the fairness of the MDC fee structure, no better approach achieved any semblance of consensus. As noted before, any scheme that precisely measures dealer sales volumes or annual revenues would raise auditing cost and confidentiality issues.
- the Summit encouraged MDC to do more of everything: professional education, enhanced communication and more enforcement. Emphasis on the latter issue was to ensure the same rules for all and that illegal vendors be put out of business.
- the urgency of omnibus changes to legislation - the first in 26 years - was a key theme. An example was the issue of "curbers." Those who define themselves as wholesalers, agents, brokers, financiers, bailiffs or other related trades, are actually dealers who should be licensed and covered by legislation.
- impressively, the most enthusiastic message to come from all was that MDC must do far more to educate consumers, but that consumers need to also invest in this value created for them. Unanimous support was stated and restated about the need for a "transfer fee" assessed to all vehicle registrations and transfers, with all of the funds going to consumer education and services.
- assurance that improvements will be made with respect to the Compensation Fund.

MDC Chair Bob Stewart restated at the Summit an excerpt from his preface to the 2006 MDC annual report: *"The word 'professional' implies expertise, integrity, the adherence to principles and accepted standards of behaviour."*

MDC is currently gathering feedback. Consensus so far seems to be that this Summit should be an annual event that can grow in significance. It was suggested that the addition of important agencies such as BCAA, the Better Business Bureau, the BC Crime Prevention Association, and the BC Public Interest Advocacy Centre should also be invited.